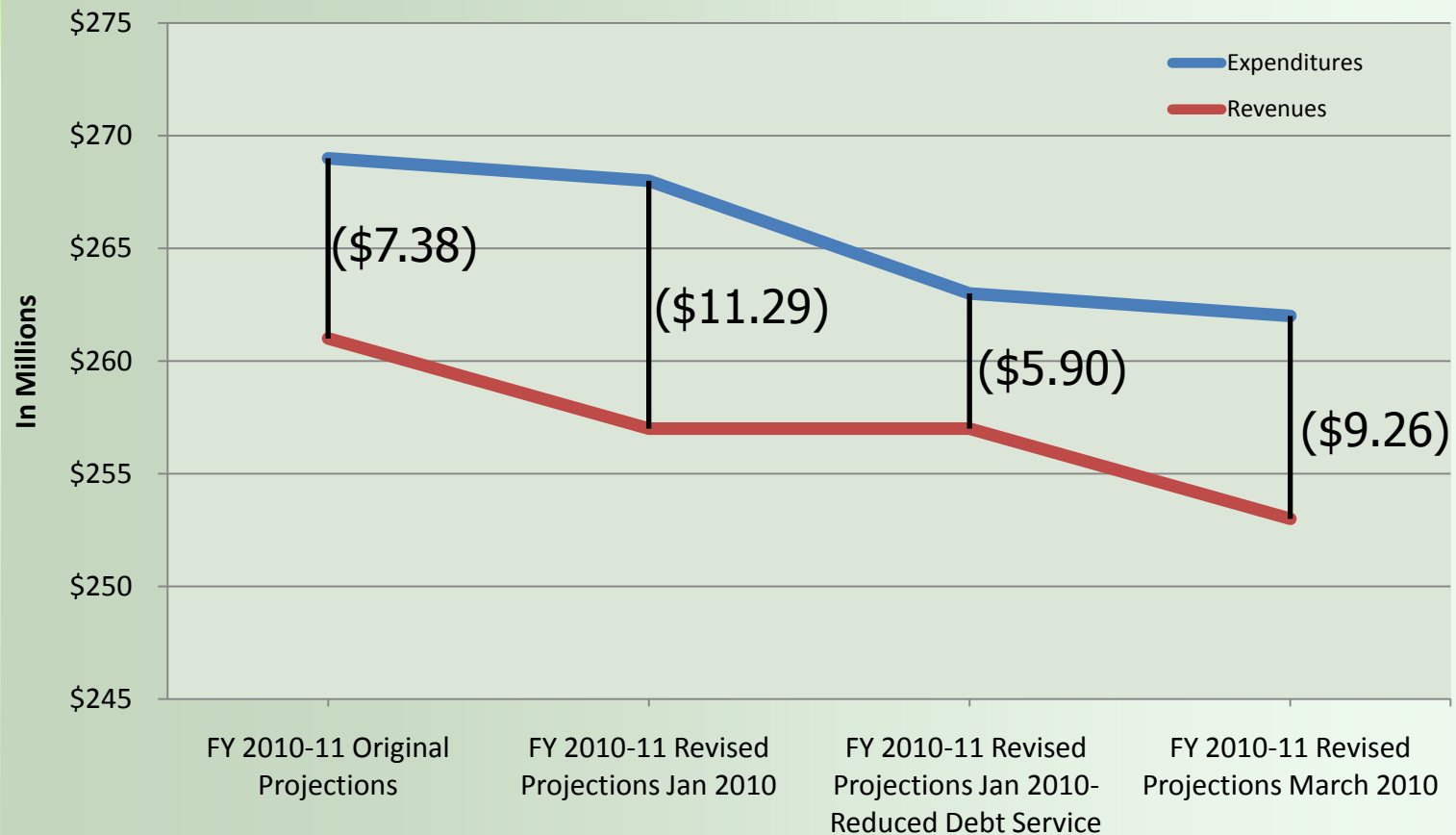


FY 2010-2011 Budget Preparation Update

Overview: Charting the Deficit



Budget Planning Process

- Guiding Strategies
 - No Tax Increase
 - Maintain Fiscal Stewardship
 - Minimize the Use of One-Time Fixes
 - \$2.1 million is planned to be used from various fund balances
 - Reduce the General Fund contribution to outside agencies
 - 10% reduction to General Fund supported outside organizations/agencies
 - Maintain Debt Policies

Organizational/ Employee Impact

- Manage Vacancies
- Merit Increases
 - Merit budget reduced from 2.75% to 2% representing a cost avoidance of \$650,000
- Longevity Pay
 - Cap at current longevity pay
 - New employees will not be eligible for the benefit
 - Estimated Savings \$200,000

Service Changes: Summary

- Total estimated City-wide reductions of departments for FY 10-11: \$5.67 million
 - On-going reductions: \$5.0 million
 - One-time reductions: \$673,215
- Total City-wide FTE position reductions: 53.8 (estimated savings equals \$3.3 million or \$2.7 million, excluding rosters)
 - Engineering & Inspections: 20
 - Parks & Recreation: 14.3
 - Field Operations: 13
 - Other various agencies: 6.5
- Of the 53.8 FTE positions: 41.7 FTE are vacant and 12.1 are filled

Service Changes: Methodology

- Departments were asked to prioritize their services taking into consideration Council priorities, the Comprehensive Plan and any legal requirements/mandates.
- The prioritization method was vetted through small groups consisting of various departments and a budget analyst.
- Depending on the service rankings, departments were then asked to develop a spending reduction plan up to 7% of their budget.

Service Changes: Highlights

■ Field Operations

- Solid Waste routes to be re-balanced, which will cause a service day change for some residents
- Bulk pick-up change to every other week (from weekly)
- Combine yard waste and bagged leaf collection (in lieu of loose leaf collection) and remove weekly
- Estimated Department Savings = \$1.6 million

■ Engineering & Inspections

- Cut 20 FTE positions and related M&O Costs in response to a decline in workload demands in building inspections, construction inspections and building maintenance
- Estimated Department Savings = \$1.1 million

Service Changes: Highlights

- Transportation
 - Eliminate 3 FTE positions, which may decrease the ability to perform routine maintenance and repairs on transportation infrastructure including signs, markings, and signals
 - One year reduction in maintenance cost associated with the installation of new signal controller cabinets that will be maintained by contractor
 - Estimated Department Savings = \$328,900

Service Changes: Highlights

■ Libraries

- Reduce park hours at David Caldwell Park to one day per week (from five days)
- Eliminate 2 positions at the Greensboro Historical Museum- which will reduce its ability to provide school tours and traveling trunk shows throughout the community as well as market Museum events
- Various M&O Reductions (Acquisitions, Cataloging, Support)- which will decrease the Library's ability to refresh collections and recover materials or replacements
- Estimated Department Savings = \$126,550

Service Changes: Highlights

■ Parks & Recreation

- Close Lake Higgins Watershed Park, which will close all activities at Lake Higgins and require residents to utilize Lake Brandt or Lake Townsend
- Eliminate General Fund support of 3 cultural festivals: Chinese New Year, Guilford Native American Cultural Festival, and African American Heritage Extravaganza
- Eliminate free Summer Playground program, which will require parents to utilize other summer programs offered for a fee
- Eliminate admission fees to Barber Park Spray Ground and eliminate need for additional staff
- Estimated Department Savings = \$632,390

Service Changes: Highlights

- Fire

- Reduce Fire District #13 service contract and supplant with in-house staff
 - Will require adding a ladder company (12 FTE) to Fire Station #14 (Summit Avenue) to allow for the reduction
 - First response service to Reedy Fork area will be unaffected; however, there will be a slower, although still within acceptable limits, second response (ladder company) to the area
- One month delay in recruit class for Vandalia Fire Station due to weather
- Estimated Department Savings = \$198,400

Service Changes: Highlights

- Police
 - Reduce services for Mental Health transports for Guilford Mental Health
 - GPD will continue to transport to Guilford Mental Health and remain on-site for violent/combative persons; however the third-party site security for non-violent transports will be eliminated
 - Eliminate Automated Fingerprint ID System (AFIS) contract with Guilford County
 - GPD will continue to submit fingerprints to AFIS to match with State's database but the turnaround time may be longer
 - Other M&O Cost reductions
 - Estimated Department Savings = \$720,700

Service Changes: Highlights

- Equipment Services
 - Eliminate 2% Lease Increase that Equipment Services charges all Departments
 - Reduce Underutilized Vehicles in City fleet
 - Eliminate B-5 Biodiesel Purchase at Patton Avenue Service Center to better accommodate the City's fleet needs post Uptown Fueling Station closure
 - Estimated Division Savings = \$554,425

Revenue Enhancements

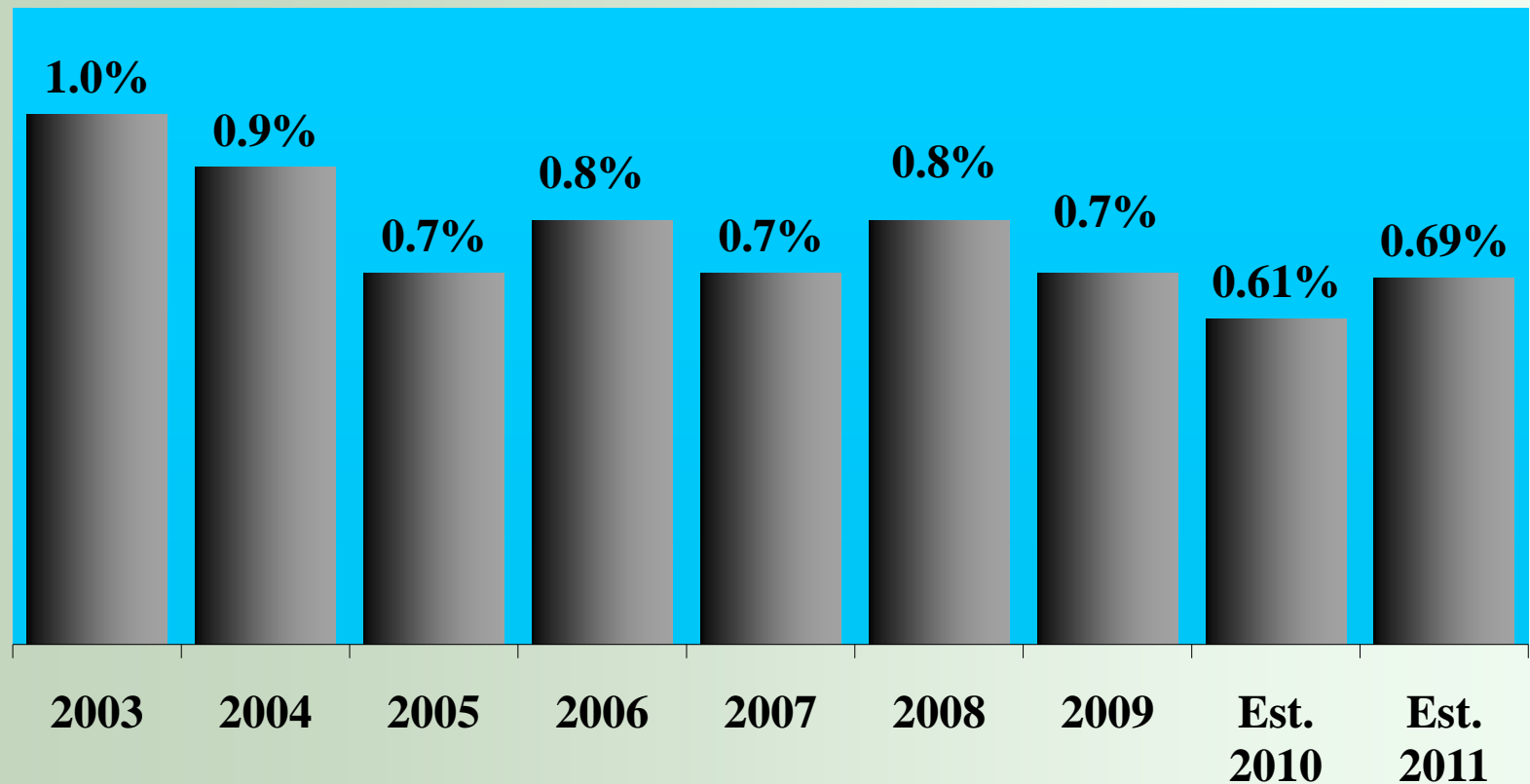
- Parking Fines/Fees
- Parks & Recreation various fee increases
 - Estimated to yield an additional \$115,000 in revenue (Golf fees, shelter rentals, Sportsplex admission, adult sports fees, and Farmer Market table fees)
- False Alarm Fee Ordinance
- Continuing to explore other revenue enhancements

Bond Projects

- Recommendation:
 - Move forward with \$40 million in bond projects to be issued in October 2010 for FY 2010-2011
 - Issue \$35 million during FY 2011-2012
- General Fund Impact
 - No impact on the property tax rate for debt service
 - The operational impact for the FY 2010-2011 budget is estimated at \$430,000 for Gateway Gardens
- Minimal impact on key debt ratios

Net G.O. Debt as % of Appraised Value

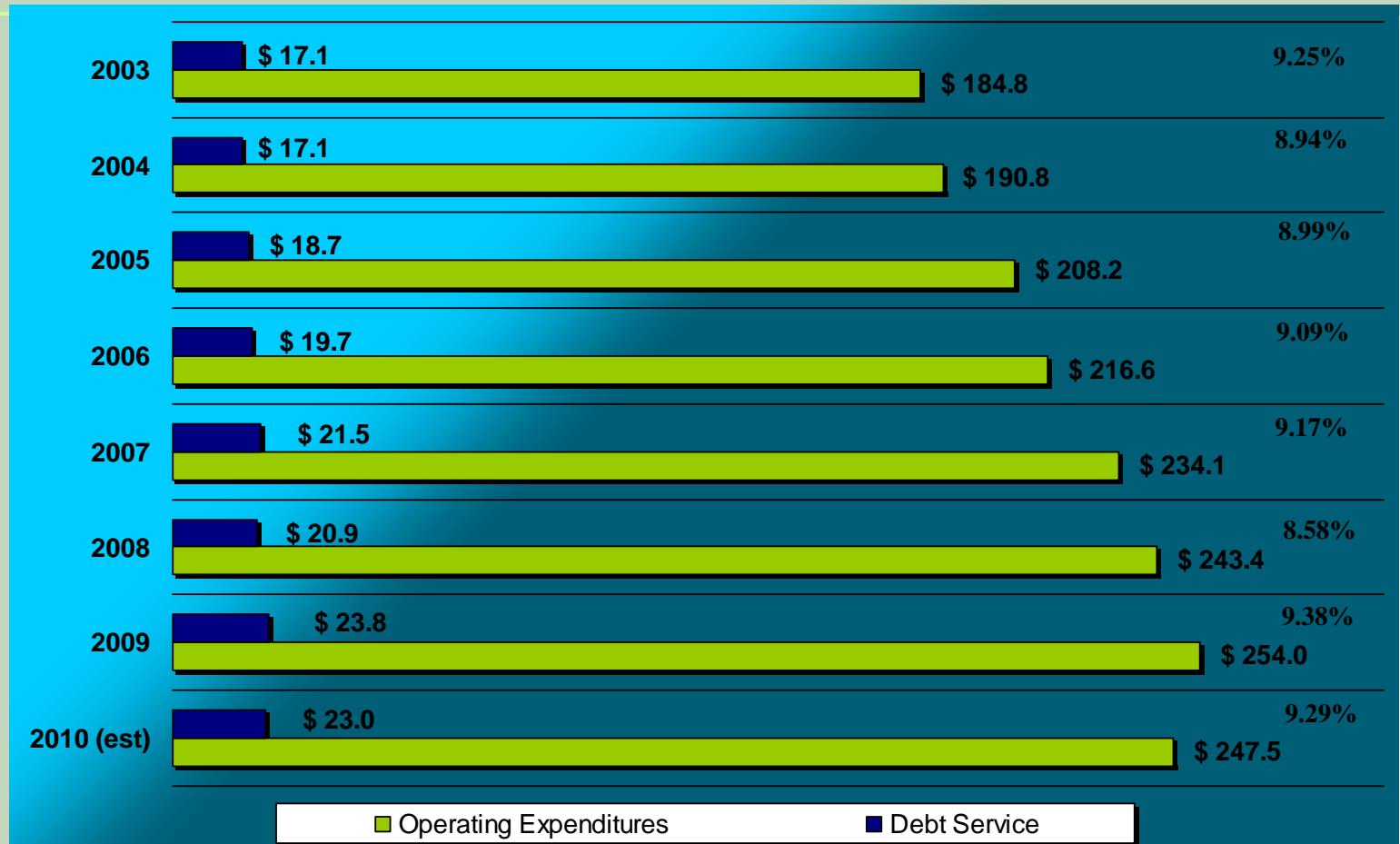
- Statutory Maximum - 8% of Appraised Value
- City Debt Policy - 2% of Appraised Value



Debt Service as a % of General and Debt Service Fund Expenditures

(in millions)

Fiscal Year Ended June 30, 2009



Greensboro Target Not to Exceed: 10.0%

Median Moody's (AAA In All States): 9.2%

FY 2010-2011 Bond Projects	FY 2011-2012 Bond Projects
All 2000 Bond Projects = \$23.9M	2006 Bond Projects = \$11.55M
\$15.5M Street Improvements (includes Greenway)	\$3.285M Old Randleman Road Fire Station
\$1.3M East Market St. Neighborhood	\$750,000 Land Acquisition Reedy Fork Fire Station
\$500,000 Public Transportation	\$2.015M Hilltop Road Recreation Center
\$6.6M Keeley Park and Hilltop Rd. Recreation Center	\$2.0M Economic Development Bonds
2006 Bond Projects = \$4.645M	\$3.5M Lake Jeanette Library
\$300,000 Lake Jeanette Library Design	2008 Bond Projects = \$13.935M
\$345,000 Mt. Hope Church Rd. Fire Station #57	\$7.0M Street Improvements
\$4.0M Economic Development	\$100,000 Neighborhood Park Renovations
2008 Bond Projects = \$10.97M	\$500,000 Gateway Gardens Phase II
\$215,000 Pool Repairs/Upgrades	\$6.0M Aquatics Center
\$500,000 Gateway Gardens Phase II	\$335K Housing Loans for Energy Efficiency/Affordable Housing
\$265,000 Barber Park Phase II Design	2009 Bond Project = \$9.515M
\$6.0M Aquatics Center	\$9.515M Natural Science Center
\$3.99M Street Improvements	
2009 Bond Project = \$485,000	
\$485,000 Natural Science Center	

Unresolved Issues

- Library Funding
- Nussbaum Center Funding
- Landfill Closure Costs
- Urban Loop

Next Steps

(tentative schedule)

- April 27, 2010—City Council Work Session on Budget
 - Discussion related to Landfill Closure, Water Rates, and Fund Balance
- May 18, 2010—Presentation of Proposed 2010-2011 FY Budget
- June 1, 2010—Public Hearing to receive public comment on the proposed 2010-2011 Annual Budget
- June 15, 2010—Adopt the budget